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CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUREAU
CORPORATION FILE

J. J. NEWBERRY CO.
NEW YORK

ANNUAL REPORT

DECEMBER 31, 1939

ASSETS

CURRENT ASSETS:

Cash in Banks, on Hand and in Transit.....	\$ 3,360,824.92
Miscellaneous Notes and Accounts Receivable (less Reserve \$2,049.42).....	54,454.47
Merchandise—at the lower of cost or market (determined by responsible officials on the basis of physical inventories).....	7,659,039.09
Total Current Assets.....	11,074,318.48
Notes Receivable of Employees (capital stock of the Company held as collateral).....	4,860.14
Miscellaneous Investments and Advances—at cost.....	21,505.98

PROPERTY AND EQUIPMENT:

Land, Buildings and Improvements—at or below cost.....	\$8,803,290.60
Less Reserve for Depreciation.....	649,004.40
	8,154,286.20
Furniture and Fixtures—at cost. \$9,912,282.50	
Less Reserve for Deprecia- tion.....	3,657,538.69
	6,254,743.81
Alterations and Improvements to Leased Premises—at or below cost.....	4,171,793.82
Less Reserve for Amorti- zation.....	1,237,347.85
	2,934,445.97
	17,343,475.98

PREPAID EXPENSES AND DEFERRED CHARGES:

Unexpired Insurance, Supplies, Prepaid Rents, Taxes, Etc.....	321,723.69
Improvements to Leased Properties (Recover- able) and Miscellaneous Deferred Charges....	79,604.47
	401,328.16
	<u>\$28,845,488.74</u>

To the Board of Directors,

J. J. NEWBERRY CO., New York, N. Y.

We have examined the Consolidated Balance Sheet of J. J. Newberry Co. and Loss and Surplus Accounts for the year ended on that date, have reviewed and, without making a detailed audit of the transactions, have examined or to the extent we deemed appropriate, except that at the Company's request for reason of the existence of the inventory quantities.

In our opinion, subject to the limitation in the scope of our examination, the Consolidated Profit and Loss and Surplus Accounts present fairly the consolidated results of the operations for the year, in conformity with generally accepted accounting principles for the preceding year.

New York, N. Y., February 20, 1940.

RECORD OF SALES AND EARNINGS

Year	Number of Stores	Sales	Earnings per share on Common Stock Outstanding
1912	1	\$32,382.71	N
1913	2	42,183.99	O
1914	3	92,640.38	T
1915	5	116,009.19	I
1916	5	151,464.52	N
1917	6	149,465.64	C
1918	7	276,449.11	O
1919	17	502,445.43	R
1920	17	751,984.16	A
1921	26	1,157,233.90	T
1922	33	1,750,066.32	E
1923	51	3,564,946.51	D
1924	68	5,114,338.79	\$4.68
1925	86	6,897,413.59	6.42
1926	112	9,985,073.71	8.28
1927	151	15,069,158.69	*3.06
1928	210	20,609,366.02	3.65
1929	279	27,789,369.40	4.62
1930	335	30,187,391.73	†3.15
1931	379	31,146,802.06	2.22
1932	406	33,121,669.83	1.73
1933	417	35,146,574.03	1.07
1934	431	41,054,217.93	3.06
1935	450	43,388,611.37	5.38
1936	461	48,376,510.11	4.94
1937	469	50,315,453.78	6.03
1938	476	49,040,697.13	5.27
1939	479	52,272,953.24	4.04
			5.44

* 300% Stock Dividend issued September 1st, 1926.

† 50% Stock Dividend and Rights to subscribe to 10% of holdings issued May 1st, 1929.

Consolidated Profit and Loss Account

For the Year ended December 31, 1939

Sales.....		\$52,272,953.24
Cost of merchandise sold and operating expenses, including general and administrative expenses, and after deducting income from rentals.....		48,374,254.86
		<u>3,898,698.38</u>
Deduct:		
Interest on Long Term Notes.....	\$ 97,540.83	
Interest on Mortgages and Other Interest.....	144,526.66	
Provision for Depreciation and Amortization.....	773,682.81	
Other Charges (net).....	8,987.61	
		<u>1,024,737.91</u>
		2,873,960.47
Provision for Federal Income Tax.....		479,980.85
		<u>2,393,979.62</u>
Dividends on preferred stocks of J. J. Newberry Realty Co. in hands of the public.....		68,571.44
Net Income for the Year ended December 31, 1939.....		<u><u>\$2,325,408.18</u></u>

CONSOLIDATED SURPLUS ACCOUNT

Balance as at December 31, 1938.....		\$ 8,708,073.74
Net Income for the Year ended December 31, 1939..		2,325,408.18
		<u>11,033,481.92</u>
Deduct:		
Balance of certain store improvements unamor- tized at December 31, 1939 and portion of land costs written off.....	\$314,748.33	
Adjustments of Federal Income Tax and sundry items applicable to prior years—net.....	3,877.51	
		<u>318,625.84</u>
		10,714,856.08
Dividends:		
5% Preferred Stock, Series A.....	254,930.00	
Common Stock—\$2.00 per share.....	760,892.00	
		<u>1,015,822.00</u>
Balance as at December 31, 1939 (including \$16,024.89 Paid-in Surplus).....		<u><u>\$ 9,699,034.08</u></u>

J. J. NEWBERRY CO.

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet As At December 31, 1939

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable, Bonuses, Accrued Liabilities, etc.....		\$ 2,043,498.80
Provision for Federal Income and Capital Stock Taxes.....		522,642.85
Total Current Liabilities.....		2,566,141.65
Mortgages Payable on Real Estate:		
Demand.....	\$ 157,562.33	
Term.....	2,667,259.51	
(\$125,000.00 estimated to be paid on Mortgages in 1940)		2,824,821.84
3% Serial Notes—payable \$310,000.00 on December 31 of each year commencing 1941.....		2,490,000.00
Reserve for Self-Insurance (Fire Loss).....		190,253.43
Minority Interest in J. J. Newberry Realty Co.:		
Capital Stock:		
6½% Cumulative Preferred, Series A—10,000 shares of \$100.00 each, less 14 shares in Treasury.....	998,600.00	
6% Cumulative Preferred, Series B—610 shares of \$100.00 each.....	61,000.00	
	1,059,600.00	
Accrued Dividends thereon (due February 1, 1940).....	11,428.16	
		1,071,028.16

CAPITAL STOCK AND SURPLUS:

5% Preferred, Series A—Par Value \$100.00 per share:		
Authorized, 75,000 shares.		
Issued, 50,986 shares.....	5,093,600.00	
Common, No Par Value:		
Authorized, 800,000 shares.		
Issued, 395,314 shares.....	5,208,571.89	
Earned Surplus.....	9,683,009.19	
Paid-in Surplus.....	16,024.89	
	20,006,205.97	
Less Cost of 14,868 shares of Common Stock in Treasury.....	302,962.31	
		19,703,243.66
		<u>\$28,845,488.74</u>

and Subsidiary Companies as at December 31, 1939, and the Consolidated Profit the system of internal control and the accounting procedures of the companies ted accounting records and other supporting evidence, by methods and to the s of economy we did not observe the stocktaking or make tests of the physical

ion indicated above, the accompanying Consolidated Balance Sheet and related ted position of J. J. Newberry Co. and Subsidiary Companies at December 31, y accepted accounting principles applied on a basis consistent with that of the

OFFICERS

J. J. NEWBERRY.....	<i>Chairman of the Board</i>
E. A. NEWBERRY	<i>President</i>
J. L. BOUGHNER.....	<i>Vice-President</i>
T. H. HOCHSTRASSER.....	<i>Vice-President</i>
J. H. EWEN.....	<i>Vice-President</i>
W. C. SCHULZ.....	<i>Secretary and Treasurer</i>
F. S. NEWBERRY..	<i>Assistant Secretary</i>
H. M. WILLGOHS.....	<i>Asst. Secy. and Asst. Treas.</i>

DIRECTORS

J. J. NEWBERRY	
E. A. NEWBERRY	
	ANNA C. NEWBERRY
J. L. BOUGHNER	
T. H. HOCHSTRASSER	
	C. V. PALLISTER
	W. C. SCHULZ
F. R. SMITH	
J. H. EWEN	
	WALTER WILLIAMS
	F. S. NEWBERRY
